

CONSTRUCTION LIEN FUND MEMBERSHIP FEE CHANGES

(Effective January 3, 2007)

Public Act 497 of 2006 amended the Construction Lien Act to require that all licensed contractors to pay a membership fee of \$10 upon initial licensure and a \$10 fee for each year of license renewal for deposit in the Homeowner Construction Lien Recovery Fund. Separate membership fees must be paid for each active license that you hold.

This change will impact the licensees as follows:

Residential Builders/M & A Contractors

Pay \$10 instead of \$50 with initial application:

New Application fee: \$65

Pay \$10 per year of license renewal (\$20 total fee due with 2 year renewal)

New Renewal fee: \$80 (May 31)

Electrical Contractors/Fire Alarm Contractors

Pay \$10 instead of \$50 at initial application:

Add \$10 fee to initial licensing application:

(3 year license cycle fee: \$200 + \$10)

(2 year license cycle fee: \$134 + \$10)

(1 year license cycle fee: \$ 67 + \$10)

Pay \$10 per year of license renewal (\$30 total fee due with 3 year renewal)

New Renewal fee: \$200 + \$30 (December 31)

Plumbing Contractors

Pay \$10 instead of \$50 at initial application:

Add \$10 fee to initial licensing application:

(3 year license cycle fee: \$200 + \$10)

(2 year license cycle fee: \$134 + \$10)

(1 year license cycle fee: \$ 67 + \$10)

Pay \$10 per year of license renewal (\$30 total fee due with 3 year renewal)

New Renewal fee: \$200 + \$30 (April 30)

Mechanical Contractors

Pay \$10 instead of \$50 at initial application:

Add \$10 fee to initial licensing application:

(3 year license cycle fee: \$200 + \$10)

(2 year license cycle fee: \$134 + \$10)

(1 year license cycle fee: \$ 67 + \$10)

Pay \$10 per year of license renewal (\$30 total fee due with 3 year renewal)

New Renewal fee: \$225 + \$30 (August 31)

Subcontractors and Supplier Members

Pay \$50 prior to the date of contract to provide labor, material or equipment:

Pay \$30 for a membership renewal period every 3 years thereafter

New Membership Renewal fee: \$30 (June 1st every 3 years)

Suppliers that conducts business from more than one retail location, each retail location is treated as a separate person and must maintain a separate Fund membership.

Laborers

Pay \$15 from the first payout from the Fund;

Pay \$30 for a membership renewal period every 3 years thereafter

New Membership Renewal Fee: \$30.00 (June 1st every 3 years)

Under the Act, except for licensed contractors and laborers, the supplier and subcontractors (non-licensed) members are required to pay \$50 fee to become a member before the date of the lien claimant's contract for improvement or materials and pay \$30 renewal fee every 3 years to maintain their membership in the Fund. A laborer who seeks to recover from the Fund is not required to pay a fee until he or she obtains a recovery, at which time a \$15 fee will be withheld from the first time payout from the Fund. The laborer will be assessed the membership renewal fee of \$30 on June 1 every three years. If a laborer, supplier or subcontractor paid an initial fee to become a member of the Fund on or before June 1, 2006, the first renewal fee will be due by June 1, 2009. If a person became a member after June 1, 2006, the \$30 renewal fee will be due by the first June 1 following the third anniversary date of the initial membership date, and a \$30 renewal date by June 1 every third year after the first renewal payment.

Examples:

Supplier X paid the initial membership fee of \$50 on February 1, 2005, the first membership renewal fee of \$30 would be due by June 1, 2009.

Supplier Z paid the initial membership fee of \$50 on November 1, 2006, the first membership renewal fee of \$30 would be due by June 1, 2010.

Laborer A paid is awarded a judgment against the Fund, a \$15 fee is withheld from the award as the initial membership application fee, after becoming a member of the Fund, the laborer is required to pay a \$30 renewal fee will be due by the first June 1 following the third anniversary date of the initial membership date, and a \$30 renewal date by June 1st every third year after the first renewal payment.

NOTE: A renewal fee may be paid after the date it is due, but the Fund member would not be not entitled to recover from the Fund for an improvement made after the due date and before the renewal fee is paid.